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15 GOOGLE INC.

16 **UNITED STATES DISTRICT COURT**

17 **NORTHERN DISTRICT OF CALIFORNIA**

18 **SAN FRANCISCO DIVISION**

19 ORACLE AMERICA, INC.

Case No. 3:10-cv-03561-WHA

20 Plaintiff,

Honorable Judge William Alsup

21 v.

**GOOGLE'S STATEMENT IN RESPONSE  
TO THE COURT'S ORDER RE  
SCHEDULE FOR NARROWING ISSUES  
FOR TRIAL**

22 GOOGLE INC.

23 Defendant.

1 Pursuant to the Court's May 3, 2011 Order re Schedule for Narrowing Issues for Trial  
 2 (Dkt. 131) ("Order"), Defendant Google, Inc. ("Google") responds as follows to the Court's  
 3 questions:

4 **I. Response to Request for Critique of Court's Schedule**

5 Google agrees with the Court's three-step process in its entirety.

6 **II. If Trial Were Postponed, To What Extent Would The Results Of The Inter Partes  
 7 Reexaminations Possibly Moot Need For Trial**

8 Postponing the trial until after the completion of the inter partes reexaminations would  
 9 most likely moot the need for a trial. It is very unlikely that the presently asserted patent claims  
 10 will survive the reexamination process. And, even in the unlikely event that claims were to  
 11 survive the reexamination process in their current form, their scope would likely be diminished  
 12 based on the argumentation and evidentiary support entered into the administrative record to gain  
 13 their allowance, which are key considerations in interpreting claim scope. As a result of claim  
 14 cancellation or amendment, Oracle will not be entitled to past damages, and ongoing damages  
 15 will be limited by the limited remaining terms of most of the patents-in-suit. This may impact  
 16 the value of the case to Oracle, which in turn may moot the need for a trial.

17 The probability of any asserted claims surviving unchanged is quite low, based on the  
 18 most recent reexamination statics. Oracle has suggested that "some decisions will favor Oracle  
 19 [and] some will favor Google." However, the most recent U.S. Patent and Trademark Office  
 20 ("PTO") statistics show that claims are cancelled or amended in 88% of inter partes  
 21 reexaminations and in 76% of ex parte reexaminations. Cancelled claims cannot be infringed  
 22 and amended claims are subject to absolute and equitable intervening rights. 35 U.S.C.  
 23 §§ 307(b), 252; *Seattle Box Co., Inc. v. Indust. Crating & Packing, Inc.*, 731 F.2d 818, 830 (Fed.  
 24 Cir. 1984). Based on these statistics, the outcome of the reexaminations is not simply an even  
 25 coin-toss, as implied by Oracle, but is likely a narrowed claim scope. Unless Oracle includes  
 26 only its narrowest claims in its final set of three asserted claims, it is highly probable that the  
 27 claims selected will be cancelled or amended during the reexamination process. The claims  
 28 subject to inter partes reexamination are even less likely to emerge unchanged. The statistics

1 discussed above are available at the U.S. Patent and Trademark Office's website under  
 2 Reexamination Information, which is available at  
 3 [http://www.uspto.gov/patents/stats/Reexamination\\_Information.jsp](http://www.uspto.gov/patents/stats/Reexamination_Information.jsp).

4       The Court is in the process of construing five of the many claim terms at issue in this  
 5 case. The claim construction process relies heavily on the administrative record supporting the  
 6 claims of the patents-in-suit. Yet, this record has been reopened and is subject to significant  
 7 further development. Indeed, one week ago, Oracle asked for an extension of time to respond to  
 8 a first office action in the reexamination of the '720 patent. Request for Extension of Time  
 9 Under 37 C.F.R. § 1.956, *In re Inter Parte Reexamination of Nedim Fresko*, Control No.  
 10 95/001,560 (Apr. 29, 2011) (available at <http://portal.uspto.gov/external/portal/pair>). Such an  
 11 extension requires a showing of good cause, and Oracle argued that it would need time to  
 12 prepare and submit evidence, possibly including testimonial evidence from the inventor, along  
 13 with its arguments in support of the patentability of its claims. *Id.* at 3. This continuing  
 14 development of the administrative record is highly material to the issues in this case, and will  
 15 likely alter the bases for the parties' arguments, including Oracle's infringement theories in the  
 16 present case, which would again moot the need for a trial.

17       Some additional statistics may be helpful to the Court on this point. Currently, the PTO  
 18 is issuing first rejections on the merits of claims in about three months for inter partes  
 19 reexaminations and in about six months for ex parte reexaminations. Because these patents are  
 20 in litigation, Oracle will have limited ability to extend the time to respond to these office actions.  
 21 As a result, it is highly likely that the administrative record for all of the patents-in-suit will be in  
 22 flux by this summer, and certainly before trial. In addition, the PTO is currently issuing notices  
 23 of intent to issue a reexamination certificate in just over 20 months for ex parte reexaminations  
 24 and about 34 months for inter partes reexaminations. Such a notice is the effective end of  
 25 substantive prosecution and is the earliest date that the parties can know with some certainty  
 26 what claim scope, if any, will survive the reexamination proceeding.

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1        As discussed above, cancelled claims cannot be infringed and past damages are  
 2 eliminated for amended claims. 35 U.S.C. §§ 307(b), 252; *Seattle Box Co., Inc. v. Indust.*  
 3 *Crating & Packing, Inc.*, 731 F.2d 818, 830 (Fed. Cir. 1984). Ongoing damages may also be  
 4 eliminated for products existing prior to the claim amendments under a theory of equitable  
 5 intervening rights. *Seattle Box*, 731 F.2d at 830. All but one patent asserted by Oracle have  
 6 limited lives, expiring within 6-7 years of today for the most part. As a result, the pending  
 7 reexaminations may have a significant impact on the value of the case to Oracle and may well  
 8 moot all claims of infringement against the accused instrumentalities, or dramatically impact the  
 9 chance for settlement..

10 **III. When Will the Ex Parte Reexaminations be Completed**

11        The Court specifically inquired into the duration of the pending ex parte reexaminations.  
 12 The average pendency of ex parte reexaminations is just over 30 months, which is about 6  
 13 months shorter than the average pendency of inter partes reexaminations. (This timeframe  
 14 reflects additional administrative work after the notice of intent to issue a reexamination  
 15 certificate discussed above.) Thus, by the time the two inter partes reexaminations complete, all  
 16 of the ex parte reexaminations should have also completed. The overall pendency time for each  
 17 ex parte reexamination may be longer if additional reexaminations are filed for those patents,  
 18 e.g., by other entities.

19 **IV. Copyright claims**

20        Narrowing of the copyright claims need not be addressed by the Court at this time. The  
 21 copyright issues are ripe for summary judgment and are best handled in that manner.

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2 DATED: May 6, 2011  
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6 **KING & SPALDING LLP**  
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8 By: /s/ Scott T. Weingaertner  
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